

Message Text

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PAGE 01 STATE 074165
ORIGIN OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-08 COME-00 AID-05 OMB-01
TRSE-00 /031 R

DRAFTED BY OPIC/F BMHENDERSON
APPROVED BY EB/IFD/ OIA:RDKAUZLARICH
EB/IFD/OIA:DVGRANT
A/C: RGRIBBIN (SUBST)

-----093413 222349Z /64

P 222123Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY KIGALI PRIORITY

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PLEASE PASS ADRIAN ARCHER

E.O. 11652: N/A

TAGS: EFIN

SUBJECT:TEA PROJECT

1. QUOTE: FROM J. WERTHEIM. RE SALES CONTRACT
AFTER DISCUSSION WITH LENDERS ALL AGREE PROPOSITION COM-
PLETELY UNACCEPTABLE. SEEMS TO US RIBANJE GOT AFTER HIS
FRIENDS AT BNR TO TRY ONCE MORE AS SIMILAR SUGGESTIONS WERE
MADE DURING PREVIOUS NEGOTIATIONS WHICH I ADVISED BEING
UNACCEPTABLE. GOVERNOR WAS NO DOUBT FULLY FAMILIAR WITH
TERMS AND I WOULD EXPECT APPROVED THEM IN SEPTEMBER AS MEM-
BER OF BOARD OF OCIR. THIS BORNE OUT BY MEETINGS IN
WASHINGTON WITH IFC AND OPIC AT TIME OF IMF ANNUAL MEETING
WHERE LAST CRISIS OCCURRED. THEREFORE UNLESS YOU AND FRANK
FEEL DIFFERENTLY PROPOSE FIRM POSITION BEING TAKEN STATING--

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A. PROPOSED AMENDMENTS NOT IN ACCORDANCE WITH ORIGINAL
AGREEMENT ATTACHED TO JOINT VENTURE AGREEMENT OF 24 FEB
1975 AND ARTICLE SIX OF PRESENT SALES CONTRACT APPROVED BY
BOARDS OF OCIR AND SIRT AND AGREED TO BY LENDERS.

B. LOANS BY LENDERS WERE GIVEN BASED ON ORIGINAL JOINT
VENTURE AGREEMENT. SUGGESTED MODIFICATIONS WILL MATERIALLY

AFFECT SIRT'S FINANCIAL CONDITION AND ARE NOT ACCEPTABLE TO OPIC AND IFC. LOAN AGREEMENT STATES CLEARLY THAT SALES

CONTRACT MUST BE IN FORM AND SUBSTANCE ACCEPTABLE TO OPIC AND IFC. THUS PROPOSED AMENDMENTS WILL RESULT IN BLOCKING RELEASE OF FURTHER DRAWDOWNS.

C. THE GOVERNOR MENTIONED TO ME IN SEPTEMBER 1977 THAT THE CONTRACT HAD BEEN APPROVED. IT WAS SIGNED AT THAT TIME AND HAS BEEN OPERATIVE EVER SINCE. THEREFORE, LENDERS AND I FIND IT QUITE IMPOSSIBLE TO UNDERSTAND BNR SUGGESTIONS AT THIS STAGE.

D. REGRETTABLY, IF THIS MATTER CANNOT BE WORKED OUT TO EVERYONES SATISFACTION THE COMPLETION OF THE FACTORY IS PUT INTO JEOPARDY.

2. IF YOU CONSIDER IT ADVISABLE, PLEASE DELIVER THE FOLLOWING MESSAGE IN ENGLISH TO THE GOVERNOR:

DEAR MR. BIRARA,

I RECEIVED A MESSAGE ON FRIDAY QUOTING A LETTER FROM MR. RIBANJE RE AMENDMENTS PROPOSED BY THE BNR TO THE OCIR/SIRT SALES CONTRACT. THIS CAME AS A COMPLETE SURPRISE TO ME AS WELL AS TO IFC AND OPIC. ALL OF US WERE LIMITED OFFICIAL USE

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UNDER THE IMPRESSION THAT WHEN WE SPOKE AT THE AIRPORT IN KIGALI AND THEN IN WASHINGTON DURING THE IMF MEETINGS THE CONTRACT AGREED UPON IN AUGUST WAS SATISFACTORY TO ALL CONCERNED. THE AMENDMENTS SUGGESTED ARE NOT ACCEPTABLE TO IFC, OPIC OR TO US. AS YOU PROBABLY KNOW, MUCH PROGRESS HAS BEEN MADE AND I CANNOT HELP BUT FEEL THAT ALL PARTIES INVOLVED WOULD NOT WISH TO SEE THE COMPLETION OF THE PROJECT PUT INTO JEOPARDY AT THIS STAGE.

I WOULD APPRECIATE YOUR ASSISTANCE IN STRAIGHTENING OUT THIS MATTER. THANK YOU.

J.H. WERTHEIM END QUOTE. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 22 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
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Disposition Remarks:
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Drafter: F BMHENDERSON
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780336/aaaabdyw.tel
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Litigation Codes:
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Previous Handling Restrictions: n/a
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Review Content Flags:
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Review Exemptions: n/a
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Review Release Date: n/a
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Secure: OPEN
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Subject: TEA PROJECT
TAGS: EFIN, EPAP, RW, OPIC
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